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Intellectual AMMUNITION

On State and Local Issues

Potshots

■ If evolution works, Nature will produce a pedestrian who can jump three ways at once.

■ I have come to the conclusion that one useless man is called a disgrace, two men are called a law firm, and three or more become a Congress.

JOHN ADAMS

■ Politicians are like diapers — they should be changed often, and for the same reason.

JOHN WALLNER

■ Definition of a label: Something put on a person so you can hate him without having to get to know him first.

BC COMIC STRIP, JUNE 1993

■ The wife who drives from the back seat isn't any worse than the husband who cooks from the dining room table.

■ A tax cut is the kindest cut of all.

■ It usually takes five years for a tree to produce nuts, but this isn't true of a family tree.

■ It's easy to identify people who can't count to ten. They're in front of you in the supermarket express lane.

JUNE HENDERSON, *NASHVILLE BANNER*

■ The shortest distance between two points is under construction.

NOELIE ALITO

REINVENTING GOVERNMENT

by restoring state sovereignty

State legislators from Alaska to Maine have been taking heat from their constituents for intrusive, expensive mandates issued from the Washington beltway. In a growing number of states, however, legislators are demanding that Congress be held accountable for its actions.

History of the Problem

During the 1980s, federal elected officials were increasingly hard-pressed for ways to fund the billions of dollars in new entitlement programs they sought. Fear of voter retaliation and the deep roots of the federal bureaucracy made reducing entitlements politically difficult. Another way had to be found.

Unfunded federal mandates appeared to offer Congress an easy way out: Pass a sweeping social program or environmental regulation, authorize federal bureaucrats to enforce the new law — and then mandate that states and local units of government implement the program, pay for it, and face draconian penalties if they refuse.

Kinds of Mandates

Federal mandates can come in many different forms, but most fall within three broad categories:

✔ "***Crosscutting***" requirements, which are used to promote certain policies through conditions on federal grants. Construction projects receiving federal funds are examples of crosscutting, because contractors on these projects are mandated by the federal Davis-Bacon Act to pay "prevailing" (i.e., union-scale) wages, even if less-expensive labor is available.

✔ "***Crossover***" requirements, which force states to implement federal policy in one area or risk losing funds in a related area. For example, states that fail to meet federal standards for licensing and testing school bus drivers could lose 5 to 10 percent of major federal highway grants.

✔ "***Direct orders***," which simply require states to conform with federal policy whether federal funds

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NEWS FROM THE Heartland

BY JOSEPH BAST, PUBLISHER

Joe's nephew, Travis Bast

The Mandate Rebellion

This issue's cover article addresses one of the hottest topics in state capitols today: mandates. According to the article's author, Heartland public affairs director Michael Finch, states are spending as much as $75 billion a year to meet the cost of federal mandates. The most expensive ones usually involve Medicaid and environmental standards. Not surprisingly, these are two of the fastest-growing areas of most state budgets.

The 1990s may go down in history as the decade during which state governments gave up any pretense to being co-equal with the national government, the arrangement originally intended by the founding fathers. Instead, state legislatures and local authorities will become increasingly powerless and redundant, eventually becoming just another part of the sprawling bureaucracy of the national government.

There is an alternative vision, however. Arizona, Colorado, Illinois, Missouri, and Hawaii have seen it and are courageously leading the way toward it. The 10th Amendment movement is very real and gaining momentum across the country. For the sake of federalism and democracy, we hope it is successful.

Subscriptions to IA

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REINVENTING GOVERNMENT

by restoring state sovereignty

(continued from page 1)

are involved or not. The Americans with Disabilities Act of 1990, for example, requires local governments to make all public transit accessible to the handicapped, even when less-costly and more appropriate transportation alternatives are available.

The Cost of Mandates

It is estimated that the states together pay as much as $75 billion a year to cover the cost of federal mandates. Medicaid is the costliest and most burdensome of the joint federal-state programs. It accounts for fully 79 percent of Tennessee's federal mandate burden; the state spends $189.9 million annually on Medicaid. In Ohio, the total cost of unfunded mandates for 1993 was $307.9 million — nearly 92 percent of which ($282.6 million) was in human services mandates, primarily Medicaid.

What Can Be Done?

While opposition to mandates is broad-based, not everyone agrees on the best solutions to the problem. Many mandate opponents simply call for the federal government to pay for the mandates it imposes. Such a "solution" misses a critically important point: All too often, the federal government is imposing mandates in arenas it has no right or authority to address.

Many federal mandates are questionable on constitutional grounds, and 10th Amendment ("state sovereignty") organizations are springing up across the country to explore court challenges to these abuses of federal power. Much of their effort is based on a 1992 Supreme Court ruling in *New York v. United States* that denied Congress the authority to commandeer the legislative and regulatory processes of the states by forcing them to accept nuclear waste.

Other approaches are being explored in several states, including:

Legislation: In many states, measures have been passed that require state governments to reimburse local communities for the cost of state mandates. While such legislation does not prevent the encroachment of government into inappropriate arenas, it *can* make politicians think twice about imposing mandates.

At the federal level, Congress should require that complete and accurate cost estimates be prepared for all legislation it considers. These cost estimates should be made public, and analysts should be given sufficient time to comment on the economic impact of the legislation.

Accountability: In 1992, the Alabama state legislature was the first to pass a binding joint resolution that requires the state's Congressional delegation to attend a joint session of the Legislature to account for federal mandates. Such accountability measures are intended to help restore the relationship between federal and state governments that was originally intended by the country's founding fathers: It was the state governments that created the federal government, not vice versa, and federal government officials must be held accountable.

Resolutions: Colorado, Illinois, Missouri, and Hawaii have passed resolutions demanding that the federal government cease and desist passing mandates that are in violation of the 10th Amendment. (See essay on page 19).

The leaders of the anti-mandates movement — among them Arizona Senate Majority Leader Tom Patterson and House Majority Leader Brenda Burns; Governor Michael Leavitt of Utah; and Rep. Charlie Duke of Colorado — appear to be clearly focused on the *principled argument* against mandates. Notes Rep. Burns, "We are not focused merely on *unfunded* mandates, because we're not looking for more money from the federal government. We're looking for a stricter interpretation of the Constitution and what it allows the federal government to do."

# # #

Michael Finch is public affairs director for The Heartland Institute.

Not the Feds' Business?

✖ Phoenix, Arizona spent $450 million to build an advanced sewage treatment plant that cleans the effluent to 97 percent purity. The EPA, however, insisted that the effluent be cleaned to 99 percent . . . and required that Phoenix spend another $500 million to build a second plant to treat the additional two percent.

✖ Columbus, Ohio was required by the federal government to spend over $20,000 testing its drinking water for traces of *dibromochloropropane* — a pesticide that was used almost exclusively in *Hawaii* to protect pineapples before it was banned in *1977*.

✖ The EPA insisted that the city of Anchorage, Alaska remove 30 percent of the solid material from its sewage water to comply with federal regulations. The water, however, is so clean that it was difficult to remove 30 percent of the few remaining solids. (Imagine, for example, trying to remove three grains of sand from the 10 grains "polluting" a backyard swimming pool.) To meet the EPA's demands, Anchorage officials allowed the city's two biggest fish processors to dump their solid wastes directly into the sewers — giving them *more* waste and making it easier to remove 30 percent of the solids.

See pages 22-23 for publishers' addresses and phone numbers.

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Organizations

ROUTING REQUEST

Environmental Working Group: Playing the Child Card

On May 19, the Washington-based Environmental Working Group (EWG) issued a report, "Washed, Peeled — Contaminated: Pesticide Residues in Ready-to-Eat Fruits and Vegetables," which claimed that washing ". . . does not remove or reduce the number of pesticides in fresh fruit and vegetables."

According to the report, "more than 80 percent of peach, apple, and celery samples contained residues of one or more pesticides." Playing the child card, the report stated: "Infants and children face risks of nervous system damage, cancer, or endocrine system disruption from multiple pesticides in fresh fruits and vegetables."

EWG recommends that grocers "phase out the sale of food containing pesticides that are considered particularly hazardous." Its list of hazardous pesticides includes 23 "probable human carcinogens" and seven "endocrine disrupters."

The media attention the report received would be remarkable were it not so predictable. *Time* magazine, NBC's "Nightly News," CNN, and *USA Today*, to name a few, covered the story.

The EWG report is but the latest example of what has been called "junk science," the sensationalist hyping of unfounded conclusions based on selective interpretations of fact or limited evidence. Once shocking but isolated, the practice of trumpeting partial research data as social catastrophe has become a bad habit in some quarters of the environmental and consumer movements. The most notorious instance of junk science was the attempt by the Natural Resources Defense Council to frighten the public about the presence of Alar in apples. More recently, a group called Food & Water has attempted to whip up panic over the process of food irradiation: "Sounds scary but isn't," commented a *Wall Street Journal* editorial.

Trumpeting partial research data as social catastrophe has become a bad habit in some quarters of the environmental and consumer movements.

Jonathan Tolman, an analyst with the Competitive Enterprise Institute, argues that the residue traces cited in junk science stories are statistically insignificant. "Unfortunately," says Tolman, "you have a report with words like 'toxins' and 'carcinogens,' and journalists turn to jello."

Edward Remmers, vice president of the New York-based American Council on Science and Health, a public health education association, agrees and calls the report "much ado about nothing." "The bottom line," says Remmers, is that "there is no evidence that residues that occur within tolerance levels are any threat to human health; 99 percent of residues are below tolerance levels."

"Americans have forgotten why we have pesticides. Food in the United States is cheaper, more abundant, more wholesome, and safer because of pesticides. . . . Who wants to eat wormy, rotten food contaminated by insects?" Remmers calls EWG an "anti-pesticide group" that "is not a responsible voice" on the issue; its report flies in the face of "scientific reality."

The EWG is a project of the San Francisco-based Tides Foundation, a promoter and funder of redistributionist economic policies, peace activism, and environmentalism. Projects operate as direct Foundation activities.

Tides also is a "manager of philanthropy" — a middleman between donors and grantseekers. In 1992, Tides provided funding to a host of left-wing groups, including: the American Civil Liberties Union Foundation ($100,000), National Abortion Rights Action League Foundation ($15,000), Institute for Policy Studies ($5,000), Defenders of Wildlife ($14,897), and the Natural Resources Defense Council ($35,240). Tides made 845 grants in 1992 totalling $5.4 million. Founded in 1976, Tides had assets of $28.5 million in 1992.

Prior to July 1993, EWG was the policy arm of the Center for Resource Economics (a.k.a. Island Press), which publishes books on environmental issues. Kenneth A. Cook is the group's president.

The 32-page EWG report was funded by The Pew Charitable Trusts, John D. and Catherine T. MacArthur Foundation, W. Alton Jones Foundation, and Charles Stewart Mott Foundation — all generous backers of big-government environmentalism. A computer equipment grant from Apple Computer Corp. facilitated the report's publication.

Capital Research Center

Information on this page was provided by Robert V. Pambianco, editor of *Organization Trends*, a publication of the Capital Research Center. For more information, contact Capital Research Center, 727 15th Street NW, Eighth Floor, Washington, DC 20005-1599; phone 202/393-2600.

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Education

ROUTING REQUEST

Choice: Radical Ends By Incremental Means

Choice Advocates Urged to be Patient, Persistent, and Positive

Daniel McGroarty, a fellow at the Institute for Contemporary Studies, advocates patience and persistence for pro-voucher forces. This may seem like difficult advice to toss into the reform arena — especially with a teachers union supporter in the White House, a major defeat in California, and only one limited pilot program to show after the past ten years of voucher advocacy — but McGroarty insists on a positive outlook for the movement.

Even in losing efforts, says McGroarty, the arguments for vouchers are beginning to have a cumulative effect. "Within-the-system" reforms — school report cards, increased funding, and decreased classroom size — have failed to improve public education, and the public increasingly is taking notice of that failure.

McGroarty also believes that the public consciousness is awakening to the blatant hypocrisy of the anti-choice forces. It's not merely the well-to-do liberals who send their kids to private schools; in most major cities, public school teachers are twice as likely as the average family to send their own children to private schools.

Pro-voucher forces should never forget the cogent observation made by Rep. Polly Williams of Milwaukee: "Bill Clinton shouldn't be the only person in public housing who gets to send his kid to private school."

Source: Daniel McGroarty, "The Choice Revolution Shifts to the States," *Policy Review*, Summer 1994, The Heritage Foundation.

Progress Report

■ Having learned from its defeat in 1990, Oregon is gearing up for another initiative fight in 1994, this time with more modest proposals. Among other accommodations, the new Oregon plan will require all voucher schools to fill the first 20 percent of their seats with low-income children.

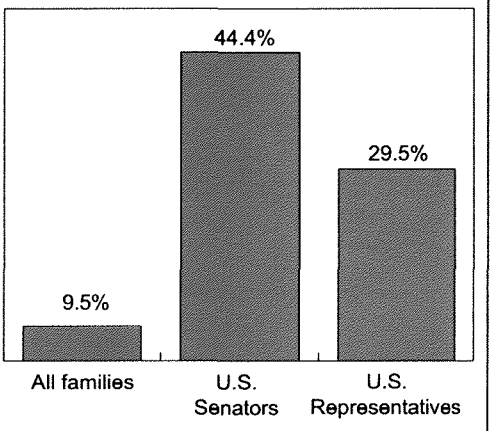
■ Voucher advocates can look to Jersey City, New Jersey as one promising locale for a *legislative* voucher victory. With the assistance of pro-voucher Governor Christine Todd Wittman, Jersey City Mayor Brett Schundler hopes to guide his pilot voucher program — which provides $500 per student — through the legislature and into law before the end of 1994.

■ Arizona and Pennsylvania are also preparing for pro-voucher legislative battles in 1994 and 1995.

Will Attitudes Ever Change?

Margaret Tannenbaum, chairperson of the Department of Secondary Education and Foundations of Education at Rowan College of New Jersey, finds in a recent survey that 70 percent of New Jersey students, 52 percent of parents, 31 percent of teachers, 25 percent of administrators, and 19 percent of school board members believed the state should enact some form of school choice.

Families with Children in Private Schools



Source: The Heritage Foundation

Tannenbaum's research is important confirmation of what advocates of school choice have noted for years. She writes, "In general, parents and students — the consumers of educational services — are overwhelmingly supportive of schools of choice; teachers, administrators, and board members — the producers of educational services — are much less in favor of choice."

Source: Margaret D. Tannenbaum, "Will Attitudes Ever Change?" *The School Community Journal,* Spring/Summer 1994, Center for the School Community.

CENTER FOR REBUILDING AMERICA'S SCHOOLS

Information on this page was provided by Joseph Walsh, executive director of the Center for Rebuilding America's Schools. For more information, contact the Center for Rebuilding America's Schools, 800 East Northwest Highway #1080, Palatine, IL 60067; phone 708/202-9860, fax 708/202-9799.

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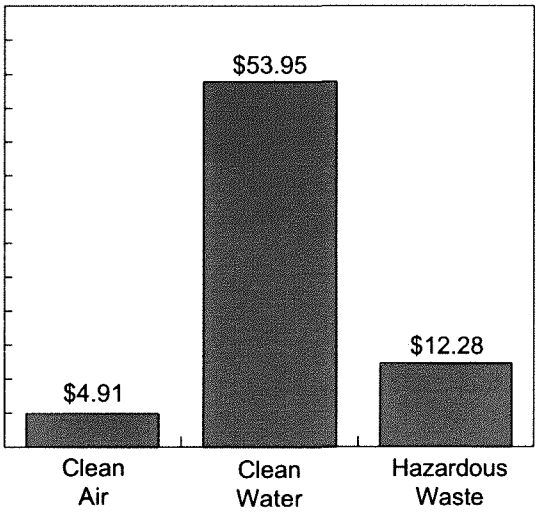
Environment

ROUTING REQUEST

Electricity Revolution Underway in California?

The California Public Utilities Commission (CPUC) has proposed revolutionizing the electricity market in that state. By proposing a system of "retail wheeling," also known as "direct access," the CPUC is threatening to break the electricity monopoly and enable consumers to choose electricity providers, in much the same way they already choose their long-distance phone companies. Competition will force utilities to slim bloated budgets and will enable electricity consumers to shop for the best bargains. If adopted nationwide, this approach could save consumers over $200 billion. Already some states, including Pennsylvania and New York, are weighing their options.

State Spending Per Capita on Environmental Issues, 1988



Source: Midwestern Legislative Conference, July 1994

Recognizing that competition in the electricity sector is the wave of the future, a group of free market organizations has formed the Coalition for Choice in Electricity (CCE) and is intervening in the CPUC proceedings on the side of competition.

For copies of the CCE's testimony before the California Public Utilities Commission, contact the Competitive Enterprise Institute at 202/331-1010.

"No Net Loss" of Wetlands a Reality

EPA administrator Carol Browner has claimed repeatedly that the United States loses approximately 300,000 acres of wetlands a year. The government's own statistics, however, tell quite a different story. One just-released government study suggests the loss figure is only 66,000 acres per year, and even this number is overly pessimistic. Excluded from the calculation are some government wetland restoration programs that restore thousands of acres of wetlands each and every year. If these are included, there will be tens of thousands *more* acres of wetlands at the end of 1994 than at the beginning. The net gain is most likely in the range of 50,000 acres.

Most of these gains have involved private action or government incentive programs whereby the government purchases and restores wetlands rather than imposing its will on private landowners. Not only is this approach more effective, it is significantly less expensive than draconian wetlands protection regulations. For example, the Agriculture Department's Wetland Reserve Program restores wetlands at a cost of less than $1,000 per acre.

For more information, see Jonathan Tolman, *Gaining Ground*, Competitive Enterprise Institute, May 1994; and Tolman, "Attack of the Wetland Enforcers," *Wall Street Journal*, July 18, 1994.

CFC Phase Out's Chilling Costs

Due to fears of ozone depletion, the United States agreed to an international phase-out of chlorofluorocarbons (CFCs) and other compounds believed responsible for the thinning of the ozone layer. While the connection of CFCs to the ozone layer has been aggressively studied, few researchers have examined the impact of banning a whole class of compounds in a relatively short period of time. CFCs are the cheapest and most efficient refrigerants known to man. Doing without them will be difficult. CEI projects the phase-out will cost American consumers between $45 and $99 billion over the next decade.

For more information, see Ben Lieberman, *The High Cost of Cool*, Competitive Enterprise Institute, June 1994.

CEI

Information on this page was provided by Jonathan Adler, director of environmental studies at the Competitive Enterprise Institute, 1001 Connecticut Avenue NW #1250, Washington, DC 20036; phone 202/331-1010, fax 202/331-0640.

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Families

ROUTING REQUEST

Alternative Lifestyles + Easy Divorce = Bad Policy

A Closer Look at Cohabitation

Legislators and CEOs grappling with the demand to grant cohabiting couples privileges previously reserved to married couples should consider the results of a new study. Researchers have found that women who had cohabited prior to marriage showed "less commitment to their present partner" and had a "stronger orientation towards autonomy" than wives who did not. Wives who had cohabited before marriage reported "less restrictive conditions on having sex with men other than their husbands now." The presence of these characteristics goes a long way toward explaining earlier findings that couples who cohabit before marriage are "more likely to divorce than those who had never cohabited."

Source: John D. Cunningham and John K. Antill, "Cohabitation and Marriage: Retrospective and Predictive Comparisons," *Journal of Social and Personal Relationships* 11 (1994): 77-93.

Single Mothers, Impoverished Children

"Changing family structure is the greatest long term threat to U.S. children," concludes a team of researchers from Pennsylvania State University, citing data that do not speak well of single motherhood.

In 1989, nine out of every ten children living above the poverty line came from a two-parent family. Most of the nation's poor children live in female-headed households. And, as the number of female-headed households grows, so does the number of children living in poverty. In 1969, the poverty rate among children was 14 percent. By 1989 it had risen to 21 percent. The researchers attribute the rise "to the demographic shift of children living in married-couple families to 'high risk' single parent families." The study further reports the utter failure of welfare to rescue these children from poverty: In 1989, only 30 percent of impoverished children saw their families' incomes rise to half the official poverty threshold via public assistance.

Source: Leif Jensen, David Eggebeen, and Daniel T. Lichter, "Child Poverty and the Ameliorative Effects of Public Assistance," *Social Science Quarterly* 74 (1993): 542-559.

Violent Crime: Too Few Jobs or Too Few Fathers?

Politicians who insist that ending unemployment will end violent crime are perpetuating a myth, according to a new study by Wade C. Mackey. He reports, "a survey of male unemployment rates and rates of violent crime across the fifty states indicates that violent crime is not correlated with unemployment rates, much less caused by them." There is, however, a "robust statistical relationship between violent crime rates and the percentage of all children born to single mothers: more illegitimacy, more violent crime."

Source: Wade C. Mackey, "Violent Crime: Too Few Jobs or Too Few Fathers?" *The Family in America* 5 (1994): 7-8.

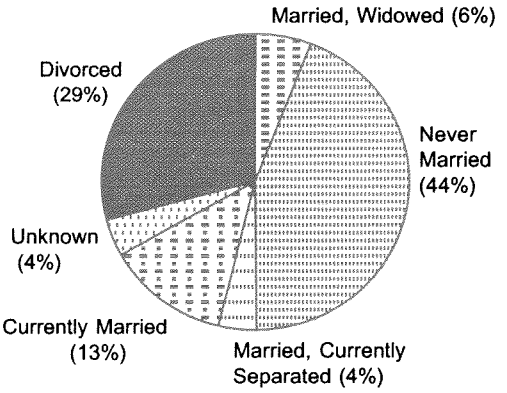
Wisconsin's Delinquents

Most juvenile delinquents in Wisconsin are either illegitimate or the product of broken homes. A recent survey of Wisconsin's two juvenile detention centers reveals that only 13 percent of delinquents come from families in which "the biological mother and father are married to each other." By contrast, 33 percent have parents who are divorced or separated, and 44 percent have parents who were never married.

Source: Wisconsin Department of Health and Social Services, "Family Status of Delinquents in Juvenile Correctional Facilities in Wisconsin," April 1994.

Troubled Youth

Marital Status of Parents of Youth in Wisconsin Juvenile Facilities



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THE ROCKFORD INSTITUTE

Information on this page was provided by Bryce J. Christensen, editor of *New Research*, a monthly supplement to *The Family in America*, published by The Rockford Institute. For more information, contact Allan Carlson or Dr. Christensen at The Rockford Institute, 934 North Main Street, Rockford, IL 61103, phone 815/964-5053, fax 815/965-1826.

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Health Care

ROUTING REQUEST

The Mitchell Health Plan: Clinton Redux

Much media attention is focused on Sen. George Mitchell's (D-Maine) watered-down version of President Clinton's proposed employer mandate. However, except for the employer mandate, the Mitchell bill contains most of the original concepts of the Clinton plan, although they are sometimes artfully camouflaged. The Mitchell bill contains full community rating, a requirement that everyone pay the same premium for insurance. This will result in a huge increase in premiums for the young and the healthy. There are also several types of price controls. There are fee schedules imposed on physicians operating in fee-for-service plans, rebates for prescription drugs under the Medicare and Medicaid programs, and a tax on any insurance plan that increases premiums by more than 2 percent per year.

There is also a government-designed standard benefits package. An appointed commission will determine the actual benefits, but the bill establishes 12 broad categories of benefits that must be covered, including mental health, vision care, and dental.

Like its Clinton progenitor, the Mitchell bill attempts to regulate the composition of the health care workforce. In a replica of Soviet-style central planning, the government would determine the correct number of physicians in each medical specialty, set quotas, and allocate admission to medical residencies to achieve the desired results.

Even the purchasing alliances are back, though made voluntary. States would be required to establish purchasing alliances, and businesses with fewer than 500 workers would be required to offer their employees the opportunity to purchase insurance through those alliances.

There are also an extraordinary number of taxes in the Mitchell proposal. In addition to the usual taxes on cigarettes and ammunition, there are heavy taxes on insurance premiums. For example, there is a 1.75 percent tax on all insurance premiums, with that revenue dedicated to medical research and teaching hospitals. The tax will cost more than $100 per year for a family with a $6,000 policy. There is a 25 percent tax on insurance plans whose benefits exceed those in the standard benefits package. If a family has a $6,000 policy and the standard benefits package is worth only $4,000, the tax would exceed $700 per year.

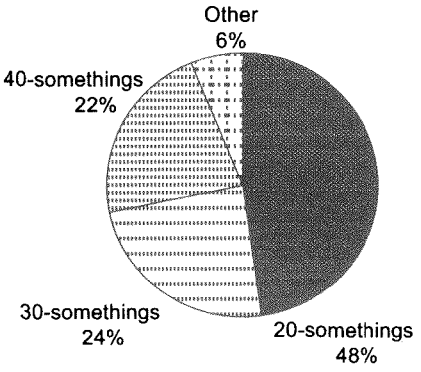
Government Vaccine Program Called Failure

Before turning the entire health care system over to government control, it might be worth looking at the record of other government health programs. Last year, for example, Congress enacted a major new program to provide free vaccines to children. Last month the General Accounting Office released a report on the program's progress to date.

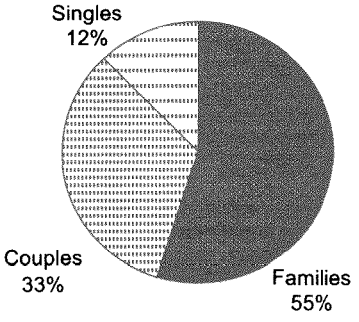
According to the GAO, the program was 1) far behind in letting purchasing contracts for the vaccines; 2) even farther behind in establishing a system for evaluating whether the system could process orders from the 70,000 doctors and clinics set to receive the vaccines; and 3) unprepared to test whether its packaging and delivery system would retain vaccine potency. The GAO concludes that it is impossible to predict whether the program will ever lead to any increase in vaccination rates.

Projected Job Loss Under the Clinton Plan

By Age



By Family Structure



Source: Family Research Council, 1994

CATO INSTITUTE

Information on this page was provided by Michael D. Tanner, director of health and welfare studies for the Cato Institute. For more information, contact the Cato Institute, 1000 Massachusetts Avenue NW, Washington, DC 20001; phone 202/842-0200, fax 202/842-3490.

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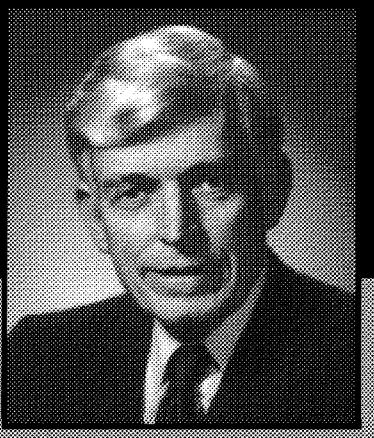
MEDICAL SAVINGS ACCOUNTS
-- an idea that works.



"I've been advocating Medical Savings Accounts nationally -- a non-government way to save on group health insurance."

Pat Rooney
Chairman of the Board

Company costs decreased.

We offered our employees a choice in May 1993:
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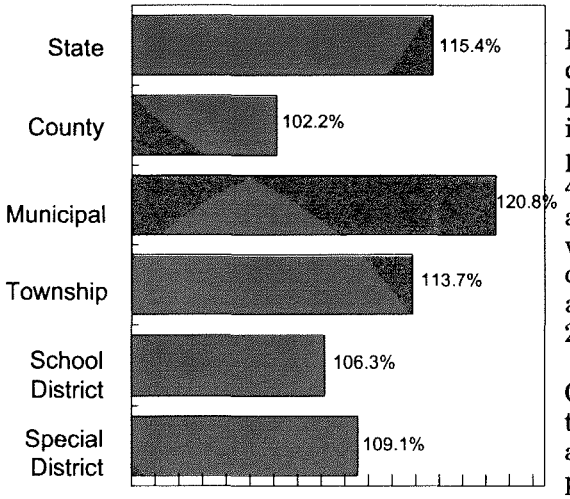
Privatization

ROUTING REQUEST

Privatization Movement Suffers Setbacks

Though the competitive government movement continues to move forward, opponents of privatization — most notably public employee unions — have been fighting to place legal restrictions on the government's ability to contract for services.

Average Monthly Compensation Public Sector Employees as a Percent of Private Sector Employees



Source: American Legislative Exchange Council

NY City Council Overrides Guiliani

On June 14, the New York City Council voted to override Mayor Rudolph Guiliani's veto of an anti-privatization bill. The 43-7 vote, strictly along party lines, was only the third council override of a mayoral veto in 25 years.

The bill requires the City to conduct an extensive cost-benefit analysis before displacing any City workers and allows the City Council to hold hearings on any privatization expected to exceed $100,000. But unlike earlier versions of the bill, it does not mandate employee retraining, set a minimum savings level, or give the City Council authority to block any privatizations.

Mayor Guiliani had vetoed the bill in May, saying "I am determined that the vote will not deter our efforts to introduce competition to the delivery of city services."

Council Halts Competition in Cleveland

Reports the *Cleveland Plain Dealer*: "Cleveland's municipal unions have won the first skirmish in Mayor Michael R. White's 'Cleveland Competes' campaign." In a 17-2 vote this July, the City Council stopped the mayor's attempt to make city paving crews compete with the private sector. "It was our residents who lost this afternoon," said Mayor White, adding, "We're not going to go away."

Massachusetts Privatization Setback

Massachusetts Governor William Weld has saved taxpayers over $270 million through competitive government initiatives. But he couldn't prevent the Democratically controlled legislature from passing a bill that would restrict the state's ability to embark on future privatizations. In December 1993, SB 1664, An Act Further Regulating the Purchase of State Services, was passed over the veto of Governor Weld. The bill was strongly backed by the state employee unions and could severely hamstring Weld's efforts to introduce competitive government to Massachusetts.

Alaska Court OKs Privatization

There is brighter news from the snowy north. By a 3-2 vote, the Alaska Supreme Court ruled that the termination of state employees engaged in maintaining rural airports was not prohibited by a state constitutional protection that guarantees a merit system to be used in state employment.

In March 1992, the state DOT solicited bids for maintenance of the Tanana Airport and awarded a one-year contract to a private firm for $38,500. A dismissed state employee filed suit to declare the maintenance contract void. The Court ruled, however, that an employee hired under the merit system "isn't frozen into his job permanently." It's good to know something in Alaska isn't frozen.

Information on this page was provided by John O'Leary and William Eggers of the Reason Foundation. For more information, contact the Reason Foundation, 3415 South Sepulveda Boulevard, Suite 400, Los Angeles, CA, 90034; phone 310/391-2245, fax 310/391-4395.

Privatization Hotline 310/391-6525

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Taxes

ROUTING REQUEST

Federal Tax Burden Rose 72% Over Past Decade

Per-Capita Federal Tax Burden

By State, 1994

	1994	Rank
Alabama	$3,690	41
Alaska	5,839	3
Arizona	3,728	38
Arkansas	3,553	45
California	4,909	13
Colorado	4,794	18
Connecticut	7,105	1
Delaware	5,733	5
Florida	4,487	23
Georgia	4,135	32
Hawaii	5,007	11
Idaho	3,655	44
Illinois	5,415	8
Indiana	4,260	28
Iowa	4,225	30
Kansas	4,591	21
Kentucky	3,667	43
Louisiana	3,681	42
Maine	3,846	37
Maryland	5,485	7
Massachusetts	5,760	4
Michigan	4,783	19
Minnesota	4,886	14
Mississippi	2,975	50
Missouri	4,319	26
Montana	3,722	39
Nebraska	4,344	25
Nevada	4,838	15
New Hampshire	5,202	9
New Jersey	6,680	2
New Mexico	3,434	47
New York	5,714	6
North Carolina	3,970	35
North Dakota	4,011	34
Ohio	4,528	22
Oklahoma	3,718	40
Oregon	4,291	27
Pennsylvania	4,834	16
Rhode Island	4,912	12
South Carolina	3,549	46
South Dakota	3,860	36
Tennessee	4,043	33
Texas	4,248	29
Utah	3,350	49
Vermont	4,194	31
Virginia	4,817	17
Washington	5,102	10
West Virginia	3,353	48
Wisconsin	4,482	24
Wyoming	4,635	20
District of Columbia	6,627	
U.S. Average	$4,701	

The average 1994 federal tax bill for each American will be $4,701, 7 percent higher than last year and 72 percent greater than 10 years ago.

Residents of the 50 states will face differing average federal tax bills in 1994, with citizens in some states facing tax burdens more than double the burden in other states. Connecticut residents will pay the highest average federal tax bill this year ($7,105), while residents of Mississippi will pay the lowest ($2,975). The state differences result from variations in income levels, as well as other factors such as different consumption levels of federally taxed goods like gasoline.

Northeastern states tend to dominate the top of the list on a per-capita basis. New Jersey, Alaska, Massachusetts, and Delaware join Connecticut as the states with the five highest per-capita federal tax burdens. At the other end of the scale, a number of mostly western and southern states have the lowest levels of per-capita federal taxation. Utah, West Virginia, New Mexico, and South Carolina join Mississippi among the five least-burdened states.

Over the past decade, Connecticut has suffered from the first- or second-highest federal tax burden each year, while Mississippi has managed to hold its place as the lowest federally taxed state.

When federal tax collections are compared with federal spending, some states send far more to the federal Treasury than they get in return. On the other hand, some states clearly come up winners in the "federal fiscal sweepstakes."

States with low federal taxes, such as Mississippi, or high federal spending, such as New Mexico, appear to receive substantial net benefits from federal fiscal operations. New Mexico received $1.96 for every dollar it sent to the federal government in 1993 — the state with the best such ratio.

On the other hand, high-income states like New Jersey and Connecticut, which pay relatively high per-capita federal income taxes, appear to fare less well from the fiscal operations of the federal government. New Jersey received only 67 cents in federal spending for every dollar it paid in federal taxes.

TAX FOUNDATION

Information on this page was provided by Stephen Gold, director of communications at the Tax Foundation. For more information, contact the Tax Foundation, 1250 H Street NW, Suite 750, Washington, DC 20005-3908; phone 202/783-2760, fax 202/942-7675.

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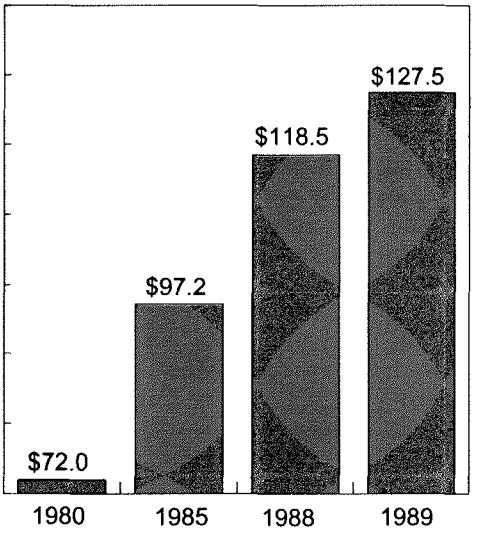
Welfare

ROUTING REQUEST

How Clinton's Bill Extends Welfare as We Know It

Campaigning for President, Bill Clinton acknowledged that the War on Poverty had failed. He promised to "end welfare as we know it." Now, more than two years later, President Clinton has unveiled the details of his plan. But far from ending welfare, the President's plan — called the Work and Responsibility Act of 1994 — is simply a public relations façade intended to forestall real criticism and change.

Public Aid Expenditures
State and Federal
(in billions of dollars)



Source: *Statistical Abstract of the United States*, 1992, Table No. 561

No Time Limits

Not one person will have cash aid terminated because he or she has received welfare benefits for over two years — or even for over twenty years. Instead, a few individuals will be placed in a new welfare program misnamed WORK. They will participate in government make-work jobs closely resembling the CETA "jobs" created by Jimmy Carter in the late 1970s. Individuals in the WORK program will continue to receive welfare cash aid — but the cash aid now will be dubbed "wages."

Virtually No One Will be Required to Work

When forced to acknowledge that the Clinton plan does not actually terminate welfare after two years, defenders of the plan adopt a fallback position: They claim that the plan does at least require those who have received welfare for over two years to work in exchange for further benefits. But this also is untrue. Under Clinton's plan virtually none of the parents who have received AFDC for over two years will be required to work, even in a government make-work job with wages paid by the welfare system. Under the Clinton plan, only 7 percent of the adult AFDC caseload is required to work under the WORK program, and even this requirement will not go into effect until 1999.

Costs of the WORK Program Are Exorbitant

Although the Clinton plan will require only a small percentage of welfare recipients to work, and those only for a few hours per week, the per-recipient cost of operating the WORK program will be extremely high. The Clinton bill allocates $4,000 per year for each participant in WORK just to cover the administrative costs of the program (roughly $3,000 in federal funds and $1,000 in required state funding). Adding in day care and wage subsidies, it is likely that maintaining a single individual in the WORK program will involve some $8,000 in extra expenses above the level of conventional welfare benefits.

Not Deficit-Neutral

The Clinton Administration claims its bill is deficit neutral. Officials say the new spending (for expansions in welfare eligibility, day care subsidies, education and training, etc.) will not increase the deficit because it is paid for by spending cuts in other government programs. This claim is false. What the Administration does is take advantage of a loophole in federal budget law which requires that the financial impact of proposed legislation be estimated only for five years into the future. It turns out that much of the increased welfare spending in the Clinton plan is scheduled to occur in the sixth year and beyond — conveniently outside the period for which costs must be calculated.

Information on this page was provided by Robert Rector, policy analyst for social, welfare, and family issues at The Heritage Foundation. For more information, contact The Heritage Foundation, 214 Massachusetts Avenue NE, Washington, DC 20002, phone 202/546-4400, fax 202/544-2260.

The Heritage Foundation

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RESEARCH REPORT

Summaries of Research on State and Local Public Policy

See pages 22-23 for the addresses and telephone numbers of the publishers of research cited here.

BUDGET

PolicyFax!
Over a dozen publications on Budget issues are available through ***PolicyFax***. For a free directory, just call 510/208-8000 and select item #3 from the main welcome message. Request topic directory 08.

What to Do with Ohio's Budget Surplus. At the June 30 close of the 1993-94 fiscal year, the State of Ohio showed a budget surplus of $500 million. Ohio state legislators should use this opportunity to (1) reduce individual and business income taxes across-the-board by 10 percent; (2) adopt a spending cap enforceable by mandatory cuts if needed; and (3) pass a constitutional amendment that forbids any tax increase without a supermajority of the legislature and voter approval. Richard Vedder and Lowell Gallaway, "Ohio's 500 Million Dollar Surplus: Will Taxpayers Ever See Any of It?" *Perspective on Current Issues*, July 15, 1994, The Buckeye Center.

CRIME

PolicyFax!
A dozen publications on Crime are available through ***PolicyFax***. To request a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 13.

Proposing Solutions to Crime in Indiana. To address its growing crime problem, Indiana must adopt tougher punishment for lawbreakers and end the government-subsidized destruction of families. *Scary thoughts:* One of every 250 Indiana children was arrested for a violent crime in 1991. More Indiana criminals are arrested under the age of 22 than all the rest of the age groups combined. George Witwer, "A Crime Wave of Our Own Making," *Indiana Policy Review*, July/August 1994, Indiana Policy Review Foundation.

Fighting Crime with Pork and Basketball. Proponents falsely claim that the Clinton Administration's crime bill would provide funding for 100,000 new police officers; in fact, the bill funds mostly political pork projects and social welfare programs being passed off as "crime prevention." Michael Finch, "The '94 Crime Bill: Shooting Hoops in the Dark," *A Heartland Perspective*, August 10, 1994, The Heartland Institute.

Congress Wise to Reject Clinton Crime Bill. The Clinton Administration's "omnibus crime bill" would greatly broaden the scope of federal criminal law. It is *not* the right way to address crime in America. William Niskanen, "Don't Federalize Criminal Law!" *A Heartland Perspective*, July 6, 1994, The Heartland Institute.

ECONOMIC DEVELOPMENT

PolicyFax!
A dozen publications on Economic Development and related issues are available through ***PolicyFax***. To request a free directory, call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 19.

Entering the 21st Century on a White Elephant. North Carolina's Global TransPark — touted by proponents as a cutting-edge air-cargo transport facility — strikes other analysts as merely "a throwback to the industrial policy fixations of the 1970s and 1980s." The TransPark threatens to become North Carolina's most expensive example of the failed "if we build it, they will come" strategy of centrally planned economic development. John Hood and Michael Lowrey, "Air Cargo Cult," *Carolina Journal*, June-July 1994, The John Locke Foundation, Inc.

EDUCATION

PolicyFax!
Over *55 publications* on Education issues, ranging from charter schools to spending and student achievement, are available through ***PolicyFax***. To request a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 21.

Choice in Puerto Rico Suffers Setback. Puerto Rico's landmark parental choice program provides $1,500 grants to encourage several forms of choice: inter-district public school choice; private school students shifting to public schools; gifted high school students enrolling in university courses; and public school students shifting to private schools. A Superior Court Judge, however, ruled in April that this last choice option violates the commonwealth's constitution. Both the government of the Commonwealth of Puerto Rico and the Washington-based Institute for Justice are appealing the decision to Puerto Rico's Supreme Court. *Educational Freedom Report*, May 20, 1994, The Blum Center for Parental Freedom in Education.

Charter School Leader Can Learn from Followers. Since Minnesota adopted charter school legislation in 1991, nine states have followed suit. Ari-

The Politics of Education. The National Education Association voted at a recent convention to boycott Florida orange juice because it is advertised on Rush Limbaugh's talk show. Will apple pie be next? *The American Sentry*, July 1994, The Leadership Councils of America.

See pages 22-23 for publishers' addresses and phone numbers.

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zona, California, Colorado, Georgia, Kansas, Massachusetts, Michigan, New Mexico, and Wisconsin now have charter school laws. Among the lessons Minnesota (and other states) can learn from these "newcomers": (1) Allow authorities other than school districts to charter schools. (2) Provide charter schools with start-up funding and technical assistance. (3) Offer charter schools mandate relief and greater flexibility. (4) Create new roles for central administrators and teachers' unions. Jon Schroeder, "Other Charter School States Offer Lessons for Minnesota," *Minnesota Journal*, July 19, 1994, Citizens League.

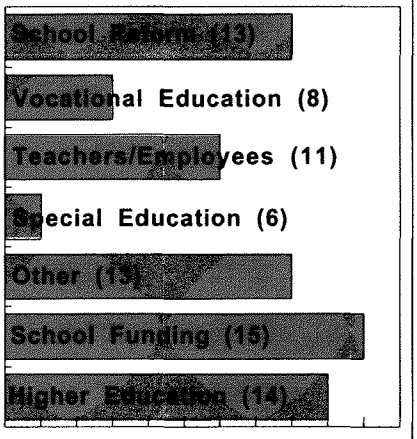
Outcome-Based Education: Ruining a Good Idea. Shifting the focus of educational performance measurement away from inputs and toward outcomes seemed like a good idea at the time. But when states began to *implement* outcome-based education programs, "they turned the crucial task of defining outcomes over to the very education establishment most threatened by the process." *How to get meaningful OBE:* establish voluntary, high academic standards and a system of accountability with real consequences for success and failure; create greater diversity in the kinds of schools we finance, how we pay for them, and the ways educators produce academic achievement. Bruno V. Manno, "Outcome-Based Education: Miracle Cure or Plague?" *Hudson Briefing Paper*, June 1994, Hudson Institute.

According to the Organization for Economic Cooperation and Development, the U.S. in 1991 devoted 14.7 percent of its total public expenditures to spending on public education. Only Switzerland, at 15.9 percent, earmarked a larger share of its government spending for public education.
Education at a Glance, 1993

Spending Not the Key to Educational Opportunity. On July 1, the state of Ohio's system of public school finance was ruled unconstitutional by a Perry County court. Reformers should not fall back on "more money" as the response to this decision. Scholarly research consistently shows that funneling more money into public education will not improve educational opportunities or student achievement. Sam Staley, "More Money Won't Help Ohio's Public Schools," *Perspective on Current Issues*, July 15, 1994, The Buckeye Center.

Values and Politics Don't Mix. "The fact that competitive markets produce better quality is a good argument for school choice. An even better argument is that the values our children are taught in schools should not be a political football. We will get stronger, more sensible values — and values that reflect the wishes of individual parents — from a diverse, competitive system of private schools than from a politically controlled, bureaucratically run state-monopoly school system." David Boaz, "Can Government Put Values in the Schools?" *Cato Policy Report*, July/August 1994, Cato Institute.

Education Issues Important to State Legislators
(# of states with interim study groups addressing the issue)



Source: Center for State Policy Research, 1994

Connecticut Rejects Local Option Choice Plan. The Connecticut legislature narrowly defeated a proposal that would have given local school districts the option of implementing educational choice programs. The plan, which failed on a 71-71 House vote, would have granted local school boards the authority to implement parental choice programs if petitioned by at least 2.5 percent of registered district voters and after conducting public hearings. *Educational Freedom Report*, May 20, 1994, The Blum Center for Parental Freedom in Education.

The Big Business of Teachers Unions. The Pennsylvania State Education Association (PSEA), founded in 1852, is not only the state's largest teachers union — it's a big business. *By the numbers:* the PSEA has 250 employees, an operating budget of $32 million, total assets of $22.4 million, and the second largest political action committee (PAC) in the state. *Inside PSEA: A Review of the Financial and Political Empire*, May 27, 1994, Pennsylvania Leadership Council.

Wisconsin Taxpayers: Beware Bait and Switch! The Wisconsin teachers union is seeking to shift school funding off the property tax — but it is not doing so in the name of *tax relief*. If tax relief were the real goal, the union would support a simple $1 billion property tax cut without replacement taxes. Such a cut would leave the average Wisconsin public school classroom with $74,000 to spend above and beyond the cost of the teacher. Kirby Brant, "Property Tax Relief Should Drive School Reform," *A Heartland Perspective*, June 28, 1994, The Heartland Institute.

Reining in the Teachers Union. Michigan recently adopted legislation that dramatically reduces the political and economic clout of the teachers union in that state. *Key provisions:* Enforces a state ban on teacher strikes, by fining unions $5,000 and docking teachers' pay for every day they're on strike. Removes several issues — such as the length of the school day, charter schools, choice, and privatization of non-instructional services — from collective bargaining. Lawrence W. Reed, "Michigan's Teacher Bargaining Law: A Model for Illinois," *A Heartland Perspective*, August 12, 1994, The Heartland Institute.

Tax Credits Better than Vouchers? Like vouchers, a federal income tax deduction for private educational expenses would give parents some control over which schools their children attend. But the tax credit has two advantages: It cannot be mistaken for a subsidy, and it cannot be used to rationalize regulation of private schools. Roy E. Cordato and Sheldon Richman, "A Tax Deduction for Education," *The Freeman*, June 1994, Foundation for Economic Education.

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Property Taxes, Income Taxes, and Education Finance. School finance reform is likely to be at the top of the 1995 legislative agenda in many states. A satisfactory resolution to the issue will not be forthcoming without an honest review of the implications of shifting more school funding from local sources to states. *Two key questions:* (1) Can state government *afford* to commit more general revenue to schools? (2) Will more state money mean less local control? Scott Mackey, "The Property Tax Predicament," *State Legislatures*, August 1994, National Conference of State Legislatures.

ENVIRONMENT

PolicyFax!
Over 50 valuable publications on Environment issues—including 37 *Heartland Data-Files* — are available through ***PolicyFax***. Just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 23.

Sound Science Reaches Environmental Movement. More and more environmentalists are breaking ranks from the alarmists and demagogues; new groups devoted to science, reason, and respect for the rights of others are being formed all across the country. Joseph L. Bast, "The Solution to Pollution is Eco-Sanity," *A Heartland Perspective*, July 10, 1994, The Heartland Institute.

Cost of CFC Phase-Out Will Surprise You. Production of chlorofluorocarbons (CFCs) in the U.S. is scheduled to come to an end on January 1, 1996. Few Americans have paid attention to how they will be affected by this ban — which will prohibit our access to the most inexpensive, safe, reliable, and efficient refrigerant known to man. *The price we'll pay:* Between 1994 and 2003, the CFC phase-out will cost Americans an estimated $44.5 to $99.4 *billion*. Ben Lieberman, "Cooling Costs," *CEI Update*, July 1994, Competitive Enterprise Institute.

"Win-Win" Environmental Opportunities Rare. While the rhetoric may sound good, "green" initiatives in corporations rarely produce both environmental *and* economic paybacks at the same time. "Ambitious environmental goals have real economic costs. . . . [W]e may rightly choose those goals despite their costs, but we must do so knowingly. And we must not kid ourselves. Talk is cheap; environmental efforts are not." Noah Walley and Bradley Whitehead, "It's Not Easy Being Green," *Harvard Business Review*, May-June 1994.

The Environmental Importance of Prosperity. Protection of the environment is enhanced, not hurt, by economic growth. *Why?* (1) Greater wealth leads to greater demand for environmental quality — and the ability to pay for it; (2) The profit-making focus of capitalism discourages resource waste. Jane S. Shaw, "Things Are Better Than We Think (And Could Be Better Yet)," *The Freeman*, June 1994, Foundation for Economic Education.

GOVERNMENT

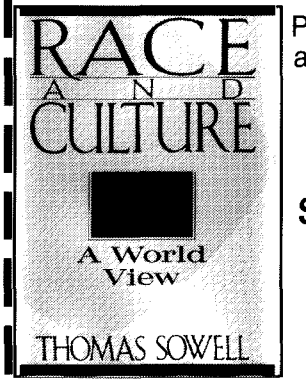
Defend Yourself Against Clichés. "An informed citizenry must be suspicious of political wolves parading as sheep. We must understand the hidden consequences of political intervention, and we must avoid a reverence for government solutions. Look behind popular political clichés and seek a richer understanding of a free society." Eighty-three all-too-common clichés — from "Human rights are more important than property rights" to "The more complex society, the more government we need" — are countered by dozens of the world's best free-market thinkers. Mark Spangler, editor, *Clichés of Politics*, March 1994, Foundation for Economic Education.

Picture the National Debt
The national debt currently stands at $4.35 trillion. If we decided to retire the national debt by having Congress put $100 *every second* into a special debt buy-down account, it would take over 1,000 years to pay off the debt.
Institute for Policy Innovation
IPI Insights, June 1994

Big Government Not on America's Agenda. At public forums across the country, the National Policy Forum has sought the advice of people who *pay* taxes, not just those who spend them. *Speaking out:* "Americans want an alternative to the big government, high tax, regulatory agenda that is currently being pursued in Washington. [They want] an alternative agenda . . . based on the belief that individual freedom and individual responsibility are far preferable to government power and government responsibility." *Listening to America*, 1994. Contact National Policy Forum, 229-1/2 Pennsylvania Avenue SE, Washington, DC 20003; phone 202/544-2900.

Chlorine Ban Would Have Wide-Ranging Impact
✔ 85 percent of all pharmaceutical drugs are based on chlorine chemistry.
✔ 96 percent of all crop-protection chemicals depend on chlorine chemistry.
✔ Chlorine is the 11th most abudant of the 107 natural elements that make up the Earth.
✔ 98 percent of U.S. water supplies and distribution systems are disinfected by chlorine-based products.
Chemical Manufacturers Association Chlorine Chemistry Council, 1994

A DEVASTATING ATTACK ON GOVERNMENT-MANAGED RACE RELATIONS



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"Fairness" Doesn't Come Cheaply. *Government faces increasing demands to* "tweak" the market economy in order to achieve more "fairness." But in the long run, this interference in the free market is expensive: It reduces the size of the economic pie. "That is essentially what happened under Eastern European socialism, leading to the fall of communism. Although . . . intended to promote fairness, the economic pie in this part of the world became relatively so small that the middle class there became worse off than the poor in capitalist countries." Preston J. Miller, "The High Cost of Being Fair," *The Region*, June 1994. Contact the Federal Reserve Bank of Minneapolis, P.O. Box 291, Minneapolis, MN 55480-0291.

Timely History of U.S. Monetary System. Politicians and monetary authorities today have more power to debase the nation's currency than they have had since the Continental Congress authorized the first printing of paper money in May 1775. "Today's monetary system is precisely what the founding fathers feared most and sought to prohibit constitutionally." *The Pocket Money Book: A Monetary Chronology of the United States*, July 1994, American Institute for Economic Research.

Root Causes of Violence

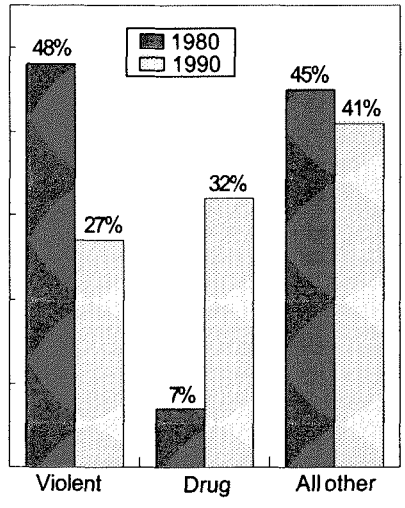
- ❑ Wealth without work
- ❑ Pleasure without conscience
- ❑ Knowledge without character
- ❑ Commerce without morality
- ❑ Science without humanity
- ❑ Worship without sacrifice
- ❑ Politics without principles

Mahatma Gandhi

Does Common Sense No Longer Apply? Your parents probably taught you that "an ounce of prevention is worth a pound of cure" and "charity begins at home" — but such common-sense notions have disappeared from the public policy debate. Remember *do unto others as you would have them do unto you*? "If you are in government, it is your duty to exempt yourself from all laws which affect everyone else. . . . If you actually write laws, be sure to include the phrase, 'This law shall not apply to the state or any political subdivision thereof.'" Michael Dudley, "Why Old Proverbs Don't Apply Anymore," *The Freeman*, August 1994, Foundation for Economic Education.

Politicians, Like Bombers, Seldom See Their Victims. "[P]oliticians and their bureaucratic appointees are much like bomber crews: They wreak much havoc, but seldom experience first hand the consequences of their actions. . . . [I]f politicians witnessed all the suffering unleashed by government taxation and regulation — [they] would surely be less enthusiastic about their schemes." Donald Boudreaux, "Losing Touch," *The Freeman*, June 1994, Foundation for Economic Education.

State Prison Admissions by Type of Crime 1980 and 1990



Source: Prisoners in 1992

Direct Democracy on a Meaningful Scale. What if we took the Presidential Election Campaign check-off idea and expanded it? What if taxpayers each had the discretion to allocate up to half of their total tax bills for specific government programs? "Talk about power to the people! . . . Every government agency would have to work extra hard to convince the taxpayers, not the politicians, that its program was more worthy of support than other, competing programs." Saul D. Binder, "What if Government Programs Had to Compete for Our Tax Dollars?" *Success Stories*, April 1994. Contact Success National Bank, One Marriott Drive, Lincolnshire, IL 60069-3703.

Interim Studies Predict Legislative "Hot Topics." Many states use the "interim study" process to give legislators the opportunity to explore complex issues, review recently enacted legislation, or monitor mandates given to executive agencies, without the pressure surrounding a session. Thirty-nine states are conducting formal interim studies this year; the most popular topics are health & human services, judiciary issues, and state affairs. *1994 Interim Studies Report*, Center for State Policy Research, 11 Dupont Circle NW #310, Washington, DC 20036; phone 202/328-9393.

North Carolina Urged to Empower Citizens. "Direct democracy" — empowering citizens to affect public policy through the use of ballot initiatives — would help break deadlocks on serious issues facing state policy makers. Legislators' time would be better spent deliberating complex budgetary and policy issues that are not amenable to yes or no decisions; citizens themselves are competent to discuss and decide more straightforward policy questions, and they should be given the opportunity to do so. Peter Hans, "Direct Democracy: A Reformer's Notebook on Citizen Empowerment," *Policy Report*, June 1994, The John Locke Foundation, Inc.

Government Puts Taxpayers $15 Trillion in Debt. The size and growth of America's $4.35 trillion debt are certainly cause for concern — but there's over $10 trillion more to worry about! Total taxpayer liabilities include nearly $3.5 trillion in "actuarial liabilities" (Social Security and federal employee pension programs) and $7 trillion in insurance and credit program liabilities (deposit insurance, private pension insurance, disaster insurance, direct and guaranteed loans). The total debt represents nearly ***$250,000 for every family of four in America***. Bruce Bartlett, "Till Debt Do Us Part: How Government has Wed Taxpayers to a $15 Trillion Liability," *IPI Policy Report No. 125*, July 1994, The Institute for Policy Innovation.

Michigan Voters to Consider Constitutional Convention. At the November 8, 1994 general election, Michigan voters will decide whether to call a constitutional convention to revise the state's

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constitution. Adopted in 1963, the current state constitution is shorter than the average — 20,000 vs. 28,591 words — and newer than most. (Only Connecticut, Florida, Georgia, Illinois, Louisiana, Montana, North Carolina, Pennsylvania, and Virginia have revised their constitutions more recently.) "The November 1994 Ballot Question and a Brief Michigan Constitutional History," *Michigan Constitutional Issues*, July 1994. Contact Citizens Research Council of Michigan, 625 Shelby Street #1B, Detroit, MI 48226-3220; phone 313/961-5377.

HEALTH CARE

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PolicyFax offers over 150 documents on Health Care issues — from nearly a dozen public policy research groups! For a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 32.

The Failures of Single-Payer Proposals. Single-payer health plans similar to Canada's have been or are being considered in roughly 30 states — but no state has adopted one yet. California is the only state so far to put a proposal on the ballot through a petition drive; the initiative will be voted on in November. *State Legislatures*, August 1994, National Conference of State Legislatures.

Blueprint for a Better Reform Bill. To arrive at health care reform legislation both effective and reasonably priced, Congress and state legislators need only ask the right policy questions and make an effort to find the right answers. Among the key questions: ✖ Should the legislation include employer mandates or individual mandates? ✖ Should the goal of reform be universal coverage? ✖ Should the legislation require community rating? ✖ Should the legislation include Medical Savings Accounts? Peter J. Ferrara, "The Health Policy Debate: Options for Reform," *Media Backgrounder No. 131*, June 7, 1994, National Center for Policy Analysis.

First Lady Calls Uninsured "Freeloaders." According to Hillary Rodham Clinton, many Americans without health insurance are "freeloaders" — getting health care without paying for it, and

Environment

Bad Guys in the Green Community?

From an interview with Jay H. Lehr, Ph.D. Environmental Education Enterprises

WASHINGTON, DC — Americans tend to view the environmental movement as a well-intentioned, charitable attempt to protect the planet we call home. At least one environmental scientist, however, has a different and less favorable view.

Jay H. Lehr, a senior scientist at Environmental Education Enterprises Inc. (E^3), received the very first doctoral degree in groundwater hydrology, in the early 1960s, and has worked as an environmental scientist ever since. He served with the U.S. Geological Survey and soon became an integral part of the initial wave of environmental policy emanating from Washington.

"Beginning in 1967, we adopted policies that addressed every environmental need, based on sound technical and scientific foundations," Lehr said. "Not long after that, zealous environmental groups co-opted the movement to hurt industry and achieve their own political ends."

Lehr believes the vast majority of the environmental community is made up of well-meaning individuals who sincerely want to have a positive impact on society, while a small percentage of others desires simply to disrupt established, successful systems — with the world population as the ultimate loser.

"The number of 'bad guys' might be no more than 10 percent," Lehr said. "Some might think of this as a harmless minority. But pesticide residues in parts per *quadrillion* are said to pose great risks to society. We shouldn't underestimate what one-in-ten can do."

Lehr said three factors drive our nation's current environmental hysteria: environmental groups, which are driven by a small number of persons with socialist ideologies; mass media, where a negative, frightening story — with or without scientific merit — boosts profits and careers; and politicians, who have found an easy platform from which to make themselves look like "good guys."

Lehr served as editor of a book titled *Rational Readings on Environmental Concerns* (Van Nostrand Reinhold, 1992, $49.95), a collection of articles by more than 50 scientists with impressive academic credentials. With their collective objective argument comes the conclusion that the modern environmental movement is too often irrational and anti-human.

> Today's environmental hysteria is driven by ideological environmental groups, the media, and politicians.

Lehr's views are far from traditional. Still, those views are supported by his scientific credentials and his decades of experience in environmental policy making. His argument surely calls for two things.

First, Americans should take a closer look at the groups who, despite their lack of involvement or experience with sound science and rational decision-making, will help determine the future of environmental policy.

Second, Americans need to be involved in making the policy that will affect their livelihoods and their lives. If they are not, the direction of that policy may be determined by persons whose goals could be in direct conflict with their own.

# # #

Dr. Lehr can be contacted at E^3, 2764 Sawbury Boulevard, Columbus, OH 43235; phone 614/792-0005.

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sticking the rest of us with the bills. In fact, the Congressional Budget Office estimates the uninsured receive about $27.6 billion in free health care every year. But they also *pay* about $19 billion in extra taxes, because they don't get tax-free health insurance from their employers. "Are the Uninsured Freeloaders?" *Brief Analysis*, August 10, 1994, National Center for Policy Analysis.

Why Medical Savings Accounts Work. On average, employers spend about $4,500 per employee on low-deductible health insurance. They could instead spend $1,500 for a catastrophic policy and put the extra $3,000 into an employee's MSA. *Fact*: 94 percent of families have annual medical expenses under $3,000. Money could accumulate in the MSA to meet long-term health care needs. Doug Bandow, "Reforming America's Medical System through Deregulation," *The Freeman*, August 1994, Foundation for Economic Education.

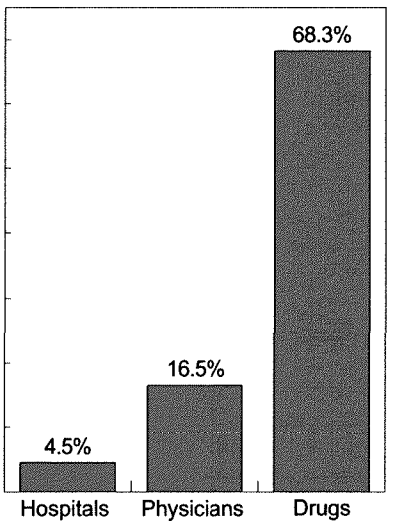
Explaining Health Care's Skyrocketing Costs. Insurance companies and governments have replaced individuals as key health care decision makers. As a result, patients are encouraged to overuse health care services, and providers are encouraged to oversupply them. *The cure?* "The patient must once again be made the central actor in the medical marketplace." *How?* Tax law reform, Medical Savings Accounts, shifts to high-deductible health insurance. Stan Liebowitz, "Why Health Care Costs Too Much," *Policy Analysis*, June 23, 1994, Cato Institute.

Can Universal Coverage be Mandated? Many states require car drivers to purchase liability auto insurance . . . why not require that individuals purchase health insurance? *Because:* ① even an individual mandate cannot guarantee universal coverage; ② the mandate — really a tax — would cost individuals nearly $400 billion a year; ③ it restricts people's options about which health services they choose to insure; and ④ it sets the stage for even more government control over health care. Glen Whitman, "The Individual Mandate: A $400 Billion Health Tax," *Capitol Comment*, June 27, 1994, Citizens for a Sound Economy.

What the Reform Debate is Really All About. The debate over health care reform is really about two competing visions of how our health care system should be organized. The first is a *bureaucratic vision*, complete with price controls, global budgets, government bureaucracies, and micro-management of the doctor-patient relationship. The second is a *patient power vision*, based on the principle that individuals should be free to control most of their own health care spending. "Competing Visions for Health Reform," *Brief Analysis*, June 30, 1994, National Center for Policy Analysis.

Re-thinking Insurance. Health insurance — like auto insurance or fire insurance — is a way to protect ourselves against unexpected, catastrophic economic loss. *The poor don't need health insurance, because they don't have any assets to protect.* What they need is access to health care, which is best

Health Care Bills We Pay Out of Pocket



Source: National Center for Policy Analysis, 1994

achieved by lowering the cost of health care, not by forcing insurance to become something it's not. Christine Rooney Merchent, *Health Care Reform Made Easy*, 1994. Available through Fill In$, Inc., P.O. Box 78662, Indianapolis, IN 46278.

When Government Decides the Color of Your Parachute. The Clinton Administration's health care reform proposal would give government agents — the "National Council on Graduate Medical Education" — the power to set quotas on entry into medical specialties. *Mark his words:* Such a system will increase paperwork and red-tape; give special-interest lobbyists more influence over the health care industry; and lead to health care rationing. Raymond J. Keating, "Dumbing Down the Medical Profession? The Impact of Health Care Reform on Medical Education," *Issues and Answers*, June 30, 1994, Citizens for a Sound Economy Foundation.

Insuring the Uninsurable. According to the Agency for Health Care Policy and Research, about 2 million people in the United States have been denied health insurance due to a medical condition. To provide insurance to this population, 28 states have passed legislation creating *high-risk pools*. Extending risk pool insurance nationwide would have cost only $300 million in 1989 — 1/10 of 1 percent of the nation's annual spending on health care. "Risk Pools: A Better Solution for Preexisting Conditions," *Brief Analysis*, June 30, 1994, National Center for Policy Analysis.

Reform with a Proven Track Record. Reducing, rather than increasing, the government's role in the health care industry has the greatest potential for successful reform. *How to deregulate:* end tax subsidies for lavish insurance policies; adopt Medical Savings Accounts; lower the time and money cost of bringing new pharmaceutical drugs to market; eliminate certificate of need requirements and benefit mandates; and reform occupational licensure laws. Doug Bandow, "Reforming America's Medical System through Deregulation," *The Freeman*, August 1994, Foundation for Economic Education.

Nickles-Stearns Not Free Market Reform. While the Nickles-Stearns Consumer Choice Health Security Act avoids the worst features of the Clinton proposal, it is *not* an alternative based on market principles. *Still too much government:* Nickles-Stearns endorses the idea of compulsory universal insur-

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ance coverage and imposes a one-size-fits-all benefits package; it prohibits insurers from varying premiums on the basis of any factor except age, sex, or geography. Tom Miller, "Nickles-Stearns is Not the Market Choice for Health Care Reform," *Policy Analysis*, June 13, 1994, Cato Institute.

Reform Should Avoid Drug Price Controls. — The Clinton health plan — and similar proposals pending in Congress — would institute an unnecessary and counter-productive system of price controls (called "unitary pricing"), eliminating the free market system that allows drug companies to offer discounts to HMOs and other group purchasing organizations. Joseph L. Bast, "Mr. President, Don't Mess with Drug Pricing," *A Heartland Perspective*, July 27, 1994, The Heartland Institute.

The Road to Universal Coverage. Tax reform, Medical Savings Accounts, and risk pools for the uninsurable will bring the U.S. closer to universal coverage than mandates requiring individuals to buy health insurance whether they want to or not. "Universal Coverage without Mandates," *Brief Analysis*, June 15, 1994, National Center for Policy Analysis.

The Peril of Employer Mandates. The employer mandate contained in President Clinton's health care proposal could cost the country nearly 850,000 jobs, increasing the unemployment rate (currently at 6 percent for all workers) by a full percentage point. Nearly half of the job loss would be suffered by workers in the "twenty-something" age group, and over half would be suffered by families with children. Scott E. Daniels and William R. Mattox, Jr., "Job Loss and the Clinton Health Plan: A Family Impact Analysis," *Insight*, 1994, Family Research Council.

Would You Benefit from the Clinton Health Care Plan? Most Americans wouldn't. Ironically, the uninsured — most of them young, healthy, and low-income — would benefit very little. Not only would they be forced to pay for their own health insurance under the plan, but they also would be forced to subsidize insurance for older, better-off work-

A Message to Washington: Cease and Desist!

By Dwight Filley
and Michael Finch

PALATINE, IL — Is America headed for a constitutional crisis? Is mass secession in the wings? A few years ago, these questions would have seemed absurd. And then came Colorado.

By more than a three-to-one margin, the Colorado legislature recently passed House Joint Resolution 1035: a "Notice and Demand to the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers." Illinois passed an identical resolution in the last days of its '94 legislative session.

What's this? State governments claiming sovereignty? Demanding that the United States government cease and desist? What are Colorado and Illinois up to?

These states are merely re-asserting a right they — along with the 48 other states — always have had. The 10th Amendment clearly states: "The powers not delegated to the United States, nor prohibited to it by the states, are reserved to the states respectively, or to the people."

The colonies never gave Washington authority to set highway speed limits, or create artificial "rights" to medical benefits, or regulate gun ownership, or require cities to meet air and water quality standards, or any of the scores of other mandates that agencies of the federal government currently impose on the 50 states. Yet Washington has assumed ever more power over the past two hundred years.

Across the country, state legislatures aren't going to take it any more. Tenth Amendment resolutions have passed in a number of states — and some interesting ways have been proposed to put teeth in the states' threat.

One is for a state legislature to demand that its congressional delegation appear before them at an annual hearing, face-to-face and in front of cameras, to answer questions about why they voted so often to place financial and regulatory burdens on their own constituents.

> The colonies never gave the federal government authority to impose many of the mandates that it imposes on the 50 states today.

A more radical plan, suggested by Colorado Representative Charlie Duke, calls for taxpayers to mail their federal taxes to a *state*-administered escrow account. Then, if the Washington politicians have behaved themselves, the money would be forwarded to them. If not, the states would keep the money until their Congressmen shape up.

This is strong stuff. But then, in addition to being unconstitutional, federal mandates are *bankrupting* state and local governments. Irate state leaders — tired of the federal government's attempts to make the states pay for policies the feds have no business passing — are making pronouncements that haven't been heard in over 130 years. It's time to pay attention to these alarms.

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Dwight Filley is a Senior Fellow with the Independence Institute. Michael Finch is Public Affairs Director of The Heartland Institute.

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ers who already have coverage. Peter J. Ferrara, John C. Goodman, et al., "The Clinton Health Plan," *NCPA Policy Report No. 184*, May 1994, National Center for Policy Analysis.

Remember 1988? While considering health care reform, Congress should not forget its failed attempt to reform Medicare catastrophic coverage in 1988. *Important lessons:* ✔ cost estimates are likely to be well off the mark; ✔ special-interest endorsements do not guarantee grassroots support; ✔ do not be misled by favorable polls; ✔ seemingly small problems can mushroom into big disasters; ✔ beware of making people pay for benefits they don't want. Robert E. Moffit, "The Last Time Congress Reformed Health Care: A Lawmaker's Guide to the Medicare Catastrophic Debacle," *Backgrounder*, August 4, 1994, The Heritage Foundation.

Dole Reform Plan Deserves Two Cheers. *First cheer:* Senator Bob Dole's health care reform proposal is not "Clinton-lite" — it contains no mandates, no mandatory health alliances, no price controls. *Second cheer:* The Dole plan *does* contain Medical Savings Accounts, tax fairness, insurance reforms, and repeal of state-mandated benefits. *Why no third cheer?* The Dole plan focuses too heavily on insurance regulation, incorporating such unneeded regulations as modified community rating and guaranteed issue. "Two Cheers for Senator Dole," *Brief Analysis*, June 30, 1994, National Center for Policy Analysis.

The Names Have Been Changed to Dupe the Innocent. "With the Clinton health care plan continuing to lose support in Congress and among the American people, liberals in Congress are resorting to a different strategy. Instead of voting on the original Clinton plan as such, they are taking various provisions of it, modifying or renaming them, and re-arranging them into a new package in an effort to attract broader political support." John C. Liu, "Clinton Heavy: The Kennedy Health Bill," *Issue Bulletin*, July 21, 1994, The Heritage Foundation.

Illinois Needs Medicaid Vouchers, Not HMOs. Privatization of Medicaid through a voucher system would provide quality care and save Illinois taxpayers millions of dollars. Governor Jim Edgar's complex "managed care" plan, on the other hand, perpetuates the problem: The state still receives, processes, and pays the bills; the state still centrally manages the system; and the state will continue to run annual deficits of $600 million or more. Michael Finch, "Jim Edgar, Giant Killer?" *A Heartland Perspective*, June 23, 1994, The Heartland Institute.

HIGHER EDUCATION

Is "Multiculturalism" Possible? The United States is *not* multicultural: It's multiracial and multiethnic and multireligious, but it has a single culture unified by "a set of principles and ideals, a belief in the rule of law, a belief in the political system." While we can encourage Americans to explore their individual cultural heritages — African, or Hispanic, or Irish, or Japanese, or whatever — *privately*, our public institutions ought to focus on reinforcing the culture that is uniquely American. Linda Chavez, "Multiculturalism: The Newest Form of Racial and Ethnic Discrimination," *Declarations of Independence*, July 1994, Independence Institute.

LAW

Punitive Damages Reform Up to the States. Recent Supreme Court decisions leave it to state legislatures to set meaningful punitive damage guidelines. *Among the needed reforms:* ● jury instructions that better explain the purpose of punitive damages, which are not intended to compensate plaintiffs, but to punish and deter defendants; ● shift juries' focus away from defendant's wealth; ● increase the plaintiffs' burden of proof; ● bifurcate the trial to separate determination of compensatory damages from determination of punitive damages; and ● shield defendants against punitive damages when they have complied with applicable regulations. Victor Schwartz, "Punitive Damages Law Reform is the Responsibility of State Legislators," *The State Factor*, July 1994, American Legislative Exchange Council.

The Right to Privacy: Where Does it Come From? The constitutional right to privacy was first identified by the Supreme Court in the 1920s, when it struck down state laws that banned the teaching of foreign languages below the ninth grade. In the 1970s, the right was interpreted as a way to free individuals from the "encumbrances" of family, neighborhood, and the political community. Today? "It is simply a given that the Constitution protects privacy, *in some sense*. What sense precisely, future cases will have to tell." David M. Wagner, "*Meyer*, How You've Grown: The Strange Transformation of the Supreme Court's Privacy Doctrine," *At the Podium*, April 1994, Family Research Council.

Picture Your Federal Tax Burden

According to the Tax Foundation, the federal government will collect $1,224 billion in taxes during fiscal year 1994. A family of four *could* pay its taxes by writing a $51.52 check to the federal government every day of the year . . . but the IRS prefers not to give you the money in the first place.

PRIVATIZATION

Privatization Briefings Available. The Privatization Project of the Carnegie Council on Ethics and International Affairs offers free of charge a series of briefing papers on a wide range of privatization topics. Among the authors: Mayors Edward G. Rendell (Philadelphia) and Stephen Goldsmith (Indianapolis); Gerald M. McEntee, AFSCME International President; and Robert W. Poole, Jr., president of the Reason Foundation. Contact the Council at 170 East 64th Street, New York, NY 10021-7478; phone 212/838-4120.

Bulgaria Privatizes Factory. The Bulgarian government has sold 80 percent of its holdings in its Magnetic Heads Factory to an American firm, Design Review International, for $1.00 and the assumption of the factory's $620,000 worth of debts. "Privatization Notes," *The Gov-*

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ernment Union Critique, June 17, 1994, Public Service Research Foundation.

Airport Leasing Viable for Milwaukee County. General Mitchell International Airport is one of Milwaukee County's most valuable assets, with an estimated market value of between $96 and $132 million. If leased for 30 years to a professional airport firm, the airport could produce significant benefits: nearly $8 million a year in net revenues; lower debt burden for the county; and improved service that would be more business-like *and* more user-friendly. Robert W. Poole, Jr., "The Privatization of Milwaukee County's General Mitchell International Airport: A Feasibility Study," *Report*, July 1994, Wisconsin Policy Research Institute.

REGULATION

Why Houston Rejects Zoning. In 1948, 1962, and November 1993, Houston voters overwhelmingly refused to subject themselves to a city-wide zoning ordinance. Today, home businesses flourish in Houston, allowing the poor, minorities, and recently unemployed to become entrepreneurs. Affordable housing is readily available, because no zoning ordinance legislates non-existent demand for single-family homes. In Houston, market forces prevail, and the citizens of Houston retain the basic right to control the use of their property. James D. Saltzman, "Houston Says No to Zoning," *The Freeman*, August 1994, Foundation for Economic Education.

TAXES

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Over three dozen publications on Tax issues are available through ***PolicyFax***. For a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 80.

Tax Limitation Movement Gathers Steam. Activists in sixteen states are gathering signatures to put tax limitation measures of some form on their 1994 ballots. In **Nevada**, a measure that requires a 2/3 vote by both houses of the legislature to create or raise taxes or fees has gathered enough signatures; in **Oregon**, a measure requiring voter approval before enacting any new state or local taxes or fees has been approved to appear on the ballot. For more information, contact Americans for Tax Reform, 1301 Connecticut Avenue NW #144, Washington, DC 20036; phone 202/785-0266.

How Taxes Punish Investments, Savings. Effective marginal tax rates (the actual tax burden on taxpayers after such things as deductions and exemptions) are much higher on income from savings and investments than they are on income from wages. In 1993, the total (state+local+federal) effective marginal tax rate was 27.4 percent on income from wages — the rate was 39.9 percent for dividend income. The penalty on investment income hurts not only entrepreneurs and upper-income individuals, but also *senior citizens*, whose wage income is relatively low and investment income relatively high. "Effective Marginal Tax Rates Punish Investments," *Tax Features*, June 1994, Tax Foundation.

Smokers Enlisted in War Against Their Own Liberty. California's Proposition 99, adopted in 1988 and reauthorized in 1994, taxes smokers in order to fund anti-smoking lobbying efforts. Taxes paid by California smokers have been used to pay the salaries of p.r. firm employees actively promoting anti-smoking ordinances. *For example:* California smokers paid $345/hour for the firm's Legislative Manager and $265/hour for its Project Director. Thomas J. DiLorenzo, "California's Proposition 99: Pork Barrel for Anti-Smoking Groups," *Alternatives in Philanthropy*, July 1994, Capital Research Center.

Should the U.S. Consider a Value-Added Tax (VAT)? Not unless we're willing to see taxes increase as a percentage of our GNP. Some European Community (EC) countries have relied on the VAT for more than twenty years; their experience offers valuable lessons for the U.S. *Fact:* Between 1965 and 1990, U.S. taxes as a percent of GNP have been relatively stable — roughly 26 percent in 1965, roughly 28 percent in 1990. In the EC, tax receipts as a percent of GNP went from roughly 27 percent in 1965 to over 40 percent in 1990.

Does Free Trade Mean Job Loss? Between 1980 and 1990, over 21 million new jobs were added in the U.S. — even as we ran up huge trade deficits with the rest of the world. Shyam J. Kamath, "The Case Against Managed 'Fair' Trade and Strategic Trade," *The Freeman*, August 1994, Foundation for Economic Education.

John R. McGowan, *More U.S. Revenue? An Analysis of the European Community VAT: Implications for U.S. Tax Policy*, July 1994, Tax Foundation and Ernst & Young.

Angry About Tax Increases? Do Something! Pocket-sized, entertaining, and practical, the *Taxpayers' Tea Party* offers solid advice to citizens ready to participate in the country's growing tax revolt. Chapters discuss networking and writing letters to Congressmen and editors; a special section on faxing includes the public fax numbers of all U.S. Senators and Vice President Al Gore. Chuck Asay and Sharon Cooper, *Taxpayers' Tea Party*, May 1994. Contact Baen Books, P.O. Box 1403, Riverdale, NY 10471; phone 718/548-3100.

Tax and Expenditure Limitations Work. Five years after passage of a tax and expenditure limitation (TEL), a family of four will find its state tax burden $650 lower than it would have been had the TEL not passed. Eighteen states have binding TELs: Arizona's was the first (adopted in 1977); Massachusetts' is the most recent (adopted in 1986). On average, per-capita state spending in the TEL states was .8 percent above the national average for the five years before the TEL was adopted, and 2.9 percent *below* the national average for the five years after the TEL. Dean Stansel, "Taming Leviathan: Are Tax and Spending Limits the Answer?" *Policy Analysis*, July 25, 1994, Cato Institute.

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Alabama Family Alliance, P.O. Box 59692, Birmingham, AL 35259, 205/870-9900

American Institute for Economic Research, Great Barrington, MA 01230

American Legislative Exchange Council, 214 Massachusetts Avenue NE #400, Washington, DC 20002, 202/547-4646, (fax) 202/547-8142

American Studies Institute, Harding University, Station A, Box 899, Searcy, AR 72143, 800/477-4407, (fax) 501/279-4600

Andrew Jackson Institute, 2704 Twelfth Avenue South, Nashville, TN 37204, 615/383-8284

Arizona Institute, 2700 South Woodlands Boulevard, Suites 300-329, Flagstaff, AZ 86001, 602/526-2597

Atlantic Legal Foundation, 205 East 42nd Street - 9th Floor, New York, NY 10017, 212/573-1960

The Atlas Economic Research Foundation, 4084 University Drive #103, Fairfax, VA 22030-6812, 703/934-6969, (fax) 703/352-7530

The Barry Goldwater Institute for Public Policy Research, 201 North Central, Phoenix, AZ 85004, 602/256-7018

The Blum Center for Parental Freedom in Education, Marquette University, Milwaukee, WI 53233, 414/288-7040, (fax) 414/288-3170

The Buckeye Center for Public Policy Solutions, 131 North Ludlow Street #308, Dayton, OH 45402, 513/224-8352, (fax) 513/224-8457

California Public Policy Foundation, 14263 Moorpark #4, Sherman Oaks, CA 91423, 818/841-5210

Capital Research Center, 727 15th Street NW - 8th Floor, Washington, DC 20005-1599, 202/393-2600, (fax) 202/737-5692

Capitol Resource Institute, 1211 H Street #A, Sacramento, CA 95814-1912, 916/731-5200

Cascade Policy Institute, 813 SW Alder Street #707, Portland, OR 97205, 503/242-0900, (fax) 503/242-3822

Cato Institute, 1000 Massachusetts Avenue NW, Washington, DC 20001, 202/842-0200, (fax) 202/842-3490

The Center for Education Reform, 1001 Connecticut Avenue NW #920, Washington, DC 20036, 202/822-9000, (fax) 202/822-5077

Center for Independent Thought, 942 Howard Street, San Francisco, CA 94103, 415/541-9780

The Center for Individual Rights, 2300 North Street NW - 6th Floor, Washington, DC 20037, 202/663-9041 or -9042

Center for the New West, 600 World Trade Center, 1625 Broadway, Denver, CO 80202, 303/572-5400

Center for the Study of American Business, Washington University - Box 1208, St. Louis, MO 63130, 314/935-5630

Center for the Study of Market Alternatives, 2285 University Drive, Boise, ID 83706, 208/368-7811

Center of the American Experiment, 45 South 7th Street, Minneapolis, MN 55402, 612/338-3605, (fax) 612/338-3621

Center for the School Community, P.O. Box 234, Lincoln, IL 62656, 217/732-1619, (fax) 217/732-6306

Citizens Against Government Waste, 1301 Connecticut NW #400, Washington, DC 20036, 202/467-5300

Citizens for a Sound Economy , 1250 H Street NW #700, Washington, DC 20005-3908, 202/783-3870, (fax) 202/783-4687

Citizens for Educational Choice, P.O. Box 405, Needham Heights, MA 02194, 617/444-7545

Citizens for Educational Freedom, 927 South Walter Reed Drive #1, Arlington, VA 22204, 703/486-8311

Citizens for the Environment, 1250 H Street NW #700, Washington, DC 20005-3908, 202/783-3870

Citizens League, 708 South Third Street #500, Minneapolis, MN 55415, 612/338-0791

The Claremont Institute, 250 West First Street #330, Claremont, CA 91711, 909/621-6825, (fax) 909/626-8724

The Commonwealth Foundation for Public Policy Alternatives, 600 North Second Street #300, Harrisburg, PA 17101, 717/231-4850

Competitive Enterprise Institute, 1001 Connecticut Avenue NW #1250, Washington, DC 20036, 202/331-1010, (fax) 202/331-0640

Congressional Institute, Inc., 316 Pennsylvania Avenue SE #403, Washington, DC 20003-1147, 202/547-4600

Connecticut Policy and Economic Council, Inc., 21 Lewis Street, Hartford, CT 06103, 203/527-8177, (fax) 203/246-9790

Consumer Alert, 2700 South Quincy Street #210, Arlington, VA 22206, 703/845-8802, (fax) 703/845-8920

Consumer Alert, P.O. Box 3348, Modesto, CA 95353, 209/524-1738

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Council for Affordable Health Insurance, 112 South West Street, 4th Floor, Alexandria, VA 22314, 703/836-6200, (fax) 703/836-6550

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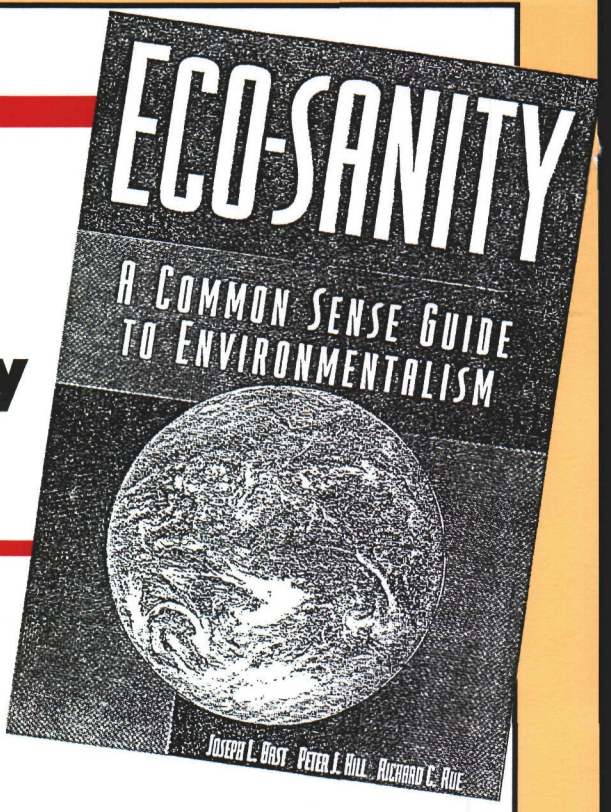

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